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SAN JOSE

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ORIGINAL

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ENGINEERING, S.A.

UNITED STATES DISTRICT COURT

NORTHERN DISTRICT OF CALIFORNIA SAN JOSE DIVISION

SYNOPSYS, INC., a Delaware Corporation,  
EVE-USA, INC., a Delaware Corporation, and  
EMULATION AND VERIFICATION  
ENGINEERING, S.A., formed under the laws  
of France,

Plaintiffs,

v.

MENTOR GRAPHICS CORPORATION, an  
Oregon Corporation,

Defendants.

Case No.

**COMPLAINT FOR DECLARATORY  
AND INJUNCTIVE RELIEF**

**DEMAND FOR JURY TRIAL**

COMPLAINT FOR DECLARATORY AND  
INJUNCTIVE RELIEF

ORIGINAL

Plaintiffs Synopsys, Inc., EVE-USA, Inc. and Emulation and Verification Engineering, S.A. (collectively, "Plaintiffs") allege as follows:

## THE PARTIES

1. Plaintiff Synopsys, Inc. is a corporation organized and existing under the laws of the State of Delaware, with its principal place of business in Mountain View, California.

2. Plaintiff EVE-USA, Inc. is a corporation organized and existing under the laws of the State of Delaware, with its principal place of business in San Jose, California.

3. Plaintiff Emulation and Verification Engineering, S.A. is a French corporation headquartered in Wissous, France. Plaintiffs EVE-USA, Inc. and Emulation and Verification Engineering, S.A. are collectively referred to herein as “EVE.”

4. Upon information and belief, Defendant Mentor Graphics Corp. (“Mentor Graphics”) is a corporation organized and existing under the laws of the State of Oregon. Mentor Graphics has four offices in California (Fremont, El Segundo, Irvine and San Diego) and additional offices in other parts of the United States.

## BACKGROUND

5. Mentor Graphics has alleged in a Complaint filed in the United States District Court for the District of Oregon, Case No. 6:06-cv-00341-AA, that it owns all right, title and interest in U.S. Patent No. 6,009,531 (“the ‘531 patent”), entitled “Transition Analysis and Circuit Resynthesis Method and Device for Digital Circuit Modeling,” which issued on or about December 28, 1999. This action was dismissed with prejudice on November 30, 2006.

6. Mentor Graphics also alleged in a Complaint filed in the United States District Court for the District of Oregon, Case No. 6:06-cv-00341-AA, that it owns all right, title and interest in U.S. Patent No. 5,649,176 ("the '176 patent"), entitled "Transition Analysis and Circuit Resynthesis Method and Device for Digital Circuit Modeling," which issued on or about July 15, 1997. This action was dismissed with prejudice on November 30, 2006.

7. Mentor Graphics also alleged in a Complaint filed in the United States District Court for the District of Oregon, Case No. 6:06-cv-00341-AA, that it owns all right, title and

1 interest in U.S. Patent No. 6,240,376 ("the '376 patent"), entitled "Method and Apparatus for  
2 Gate-Level Simulation of Synthesized Register Transfer Level Designs With Source-Level  
3 Debugging," which issued on or about May 29, 2001. This action was dismissed with prejudice  
4 on November 30, 2006.

### 5 JURISDICTION AND VENUE

6 8. This action arises under the Declaratory Judgment Act and the patent laws of the  
7 United States, more particularly under Title 28 U.S.C. §§ 2201 and 2202 and Title 35 U.S.C.  
8 §§ 100 et. seq., respectively. This court has jurisdiction under Title 28 U.S.C. §§ 1331, 1338 and  
9 2201.

10 9. Venue in this district is proper under 28 U.S.C. § 1391 and 1400(b). Plaintiff  
11 Synopsys, Inc. is headquartered in this District, occupying more than 800,000 square feet in eight  
12 different buildings in Mountain View and Sunnyvale, California. Synopsys, Inc. recently entered  
13 into a long-term lease for an additional 340,000-square-foot building in Mountain View, where it  
14 has had a long-term presence since it was founded in 1986. EVE-USA, Inc. also has its principal  
15 place of business in this District. EVE-USA, Inc.'s headquarters are located in San Jose,  
16 California.

17 10. Mentor Graphics has alleged that the ZeBu line of hardware-assisted verification  
18 products, which are manufactured, imported, sold and offered for sale by EVE (hereinafter the  
19 "ZeBu Products"), infringe the '531, '176 and '376 patents. On or about March 13, 2006, Mentor  
20 Graphics filed a Complaint in the United States District Court of Oregon, Case No. 6:06-cv-  
21 00341-AA, which alleged that EVE infringed the '531 patent by selling and supporting the ZeBu  
22 Products. On or about May 19, 2006, Mentor Graphics filed a First Amended Complaint, which  
23 alleged that EVE infringed the '531, '176 and '376 patents, directly, contributorily and by  
24 inducement, by selling and supporting the ZeBu Products. On November 30, 2006, the action  
25 was dismissed with prejudice and the parties finalized a settlement agreement in December 2006.

26 11. On or about August 12, 2010, Mentor Graphics initiated a second litigation against  
27 EVE by filing a Complaint in the United District Court of Oregon, Case No. 3:10-cv-00954-MO,  
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1 alleging that EVE infringes U.S. Patent No. 6,876,962 by making, using, selling, offering for sale,  
2 importing and supporting the ZeBu Products.

3 12. On or about August 17, 2012, Mentor Graphics commenced a third litigation  
4 against EVE by filing yet another Complaint in the United States District Court of Oregon, Case  
5 No. 3:12-cv-01500-SI, alleging that EVE infringes U.S. Patent No. 6,947,882 by making, using,  
6 selling, offering for sale, importing and supporting the ZeBu Products.

7 13. On September 27, 2012, Synopsys, Inc. entered into an agreement to acquire the  
8 business of EVE, including the ZeBu Products. The proposed acquisition is expected to close in  
9 the immediate future. Accordingly, in the immediate future, Plaintiffs will be using, importing,  
10 selling, offering for sale and/or supporting the ZeBu Products in the United States, which line of  
11 products was previously accused by Mentor Graphics of infringing the '531, '176 and '376  
12 patents and which products share structures and functionality that Mentor Graphics alleged are  
13 relevant to the claims of the '531, '176 and '376 patents.

14 14. On August 20, 2012, Dr. Walden C. Rhines, Chairman and Chief Executive  
15 Officer of Mentor Graphics, wrote to Dr. Aart de Geus, Chairman and Co-Chief Executive  
16 Officer of Synopsys, Inc. In reference to a published rumor that Synopsys, Inc. was in  
17 discussions to acquire the business of EVE, Dr. Rhines stated that the settlement agreement  
18 entered into between Mentor Graphics and EVE in 2006 contains terms that may be considered  
19 "material" to the acquisition, and that Dr. de Geus "should ensure [his] team is aware" of them.

20 15. Upon information and belief, and given the terms of the 2006 settlement  
21 agreement, coupled with the timing of the communication, Mentor Graphics' statements were  
22 meant to convey an explicit threat that should Synopsys, Inc. consummate its contemplated  
23 acquisition of EVE, Synopsys and/or EVE would thereupon be subject to suit by Mentor Graphics  
24 for patent infringement of the '531, '176 and '376 patents.

25 16. Based on the acts, conduct and statements of Mentor Graphics, there exists an  
26 actual and substantial controversy, within the meaning of 28 U.S.C. §§ 2201 and 2202, between  
27 Plaintiffs and Mentor Graphics, as to whether Plaintiffs or any of the ZeBu Products have  
28

1 infringed, or continue to infringe, any of the claims of the '531, '176 and '376 patents, as to  
2 whether the claims of the '531, '176 and '376 patents are valid, and as to whether Mentor  
3 Graphics is without right or authority to threaten or to maintain suit against Plaintiffs for alleged  
4 infringement of the '531, '176 and '376 patents. The existing controversy is of sufficient  
5 immediacy and reality to warrant the issuance of a declaratory judgment of non-infringement and  
6 invalidity, as set forth further herein.

7 **COUNT I**

8 **(Declaratory Judgment of Invalidity)**

9 17. Plaintiffs incorporate by reference the allegations set forth in paragraphs 1 through  
10 16 of this Complaint as though set forth in full herein.

11 18. This is a claim for declaratory judgment of invalidity of any and all claims of the  
12 '531, '176 and '376 patents.

13 19. The '531, '176 and '376 patents, and each claim thereof, are invalid under one or  
14 more provisions of Title 35 of the United States Code, including, without limitation, Sections  
15 101, 102, 103 and 112.

16 20. The claims of the '531, '176 and '376 patents are invalid because they are vague  
17 and indefinite and do not particularly point out and distinctly claim the subject matter which the  
18 applicants regarded as their alleged inventions, as required by 35 U.S.C. § 112.

19 21. The claims of the '531, '176 and '376 patents are invalid because the  
20 specifications of the '531, '176 and '376 patents do not contain a written description of the  
21 invention and of the manner and process of making and using it, in such full, clear, concise and  
22 exact terms as to enable any person skilled in the art to which it pertains, or with which it is most  
23 nearly connected, to make and/or use the same, as required by 35 U.S.C. § 112.

24 22. The claims of the '531, '176 and '376 patents are invalid for failure to meet the  
25 conditions for patentability set forth in 35 U.S.C. §§ 102 and 103.

26 23. Absent a declaration of invalidity, Mentor Graphics will continue to wrongfully  
27 assert or threaten to assert the '531, '176 and '376 patents against Plaintiffs, in violation of the  
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1 laws and contrary to the public policy of the United States, and will thereby continue to cause  
2 Plaintiffs irreparable injury and damage.

3 24. A judicial determination on the disputes recited herein is necessary and appropriate  
4 at this time so the parties may ascertain their respective rights and obligations with respect to the  
5 '531, '176 and '376 patents and any past, present or future manufacture, use, importation,  
6 distribution, sale, or offer for sale of ZeBu Products.

7 25. Synopsys, Inc. has filed a petition for inter partes review of the patentability of the  
8 claims of U.S. Patent No. 6,240,376 with the United States Patent and Trademark Office.  
9 Accordingly, adjudication of this action as to the '376 patent may be automatically stayed under  
10 35 U.S.C. § 315(a) unless Mentor Graphics files a counterclaim or civil action alleging that  
11 Plaintiffs have infringed the '376 patent or moves to lift the stay.

12 **COUNT II**

13 **(Declaratory Judgment of Non-Infringement)**

14 26. Plaintiffs incorporate by reference the allegations set forth in paragraphs 1 through  
15 16 of this Complaint as though set forth in full herein.

16 27. This is a claim for declaratory judgment of non-infringement of any valid claims  
17 of the '531, '176 and '376 patents.

18 28. Plaintiffs do not directly, contributorily, or by inducement, infringe any claim of  
19 the '531, '176 and '376 patents, either literally or under the doctrine of equivalents.

20 29. The manufacture, importation, use, sale, or offer for sale of any of the ZeBu  
21 Products in the United States does not directly infringe, contributorily infringe, or induce  
22 infringement of any claim of the '531, '176 and '376 patents, either literally or under the doctrine  
23 of equivalents.

24 30. Defendant Mentor Graphics is without right or authority to threaten or to maintain  
25 suit against Plaintiffs for alleged infringement of the '531, '176, and '376 patents.

26 31. Absent a declaration of non-infringement, Mentor Graphics will continue to  
27 wrongfully assert or threaten to assert the '531, '176 and '376 patents against Plaintiffs, in  
28

1 violation of the laws and contrary to the public policy of the United States, and will thereby  
2 continue to cause Plaintiffs irreparable injury and damage.

3 32. A judicial determination on the disputes recited herein is necessary and appropriate  
4 at this time so the parties may ascertain their respective rights and obligations with respect to the  
5 '531, '176 and '376 patents and any past, present or future manufacture, use, importation,  
6 distribution, sale, or offer for sale of ZeBu Products.

7 **WHEREFORE**, Plaintiffs pray for adjudication as follows:

8 1. Entry of judgment

- 9 a. that Defendant Mentor Graphics is without right or authority to threaten or to  
10 maintain suit against Plaintiffs for alleged infringement of U.S. Patent Nos.  
11 6,009,531, 5,649,176 and 6,240,376;  
12 b. that said patents are invalid; and  
13 c. that said patents are not infringed and have not been infringed by Plaintiffs or  
14 by the manufacture, use, sale, offer for sale, or importation of Plaintiffs'  
15 products, by Plaintiffs or otherwise.

16 2. Entry of preliminary and permanent injunctions enjoining Defendant, its officers,  
17 agents, servants, employees, licensees and attorneys and those persons in active concert or  
18 participation with them and all others in privity therewith (a) from initiating or prosecuting any  
19 lawsuit or proceeding placing at issue the right of Plaintiffs, their customers, licensees,  
20 successors, assigns and all others in privity therewith, to make, use, sell, offer for sale or import  
21 Plaintiffs' products, with respect to the '531, '176 and '376 patents (b) from interfering with or  
22 threatening to interfere with the manufacture, sale, offer for sale, use or importation of Plaintiffs'  
23 products by Plaintiffs, or each of them, or any of their customers, licensees, dealers, agents,  
24 servants, or employees, or any prospective or present sellers, dealers, or users of Plaintiffs'  
25 products, and all others in privity therewith, with respect to the '531, '176 and '376 patents; and  
26 (c) from making any claim to any person or entity that Plaintiffs' products infringe the '531, '176  
27 and '376 patents, said injunction to be made permanent following trial.

4. That this Court grant the Plaintiffs such other further relief as the Court deems appropriate.

Plaintiffs hereby demand trial by jury on all issues triable to a jury.

Respectfully submitted,

By: Chris R. Ottenweller  
CHRIS R. OTTENWELLER

*Attorneys for Plaintiff Synopsys, Inc.*

1 Dated: September 27, 2012

Respectfully submitted,

2 MICHAEL G. RHODES  
3 RICARDO RODRIGUEZ  
4 REUBEN H. CHEN  
5 Cooley LLP

6 By:



REUBEN H. CHEN

7 *Attorneys for Plaintiffs EVE-USA, Inc., and*  
8 *Emulation & Verification Engineering, S.A.*

U.S. DISTRICT COURT  
NORTHERN DISTRICT OF CALIFORNIA  
SAN FRANCISCO, CALIFORNIA  
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